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THE CORPORATION TRUST COMPANY AND ASSOCIATED COMPANIES

*In the incorporation, qualification and statutory representation of corporations, The Corporation Trust Company, C T Corporation System and associated companies deal with and act for lawyers exclusively.*

Foreign Corporation Law Trends—Suits Involving Internal Affairs .....	103
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## Recent Decisions

Arizona—Gross income tax—contractors .....	107
Arkansas—Sales tax—interstate commerce .....	108
Kentucky—Chain store tax—validity .....	109
Massachusetts—Excise tax—interstate commerce .....	112
Michigan—Voting trust—cancellation .....	104
New Jersey—Service of process—licensed company ..	105
New York—Inspection of books .....	104
—Jurisdiction—debenture holders' suit .....	106
—Service of process—doing business .....	107

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Appealed to The Supreme Court .....	113
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Regulations and Rulings .....	114
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Some Important Matters for March and April .....	115
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# The 5 tests of a good Transfer Agent

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## 4 —Equipment

Modern labor-saving devices and office systems cut half, and often even more, from the time and cost of preparing and addressing stockholders' lists, calculating, writing and mailing dividend checks, keeping stock ledgers posted to the instant, preparing, mailing and checking proxies, issuing new stock certificates, and so on. If the transfer agent of a corporation is not equipped with all such machinery and must handle the details by cumbersome old-fashioned methods, the cost to the corporation is much more than it should be and, of more importance, the chances for error are infinitely greater.

The Corporation Trust Company, serving scores of corporations as transfer agent or registrar, carries on a daily volume of work of this kind that makes practicable an investment in all the latest office machines and devices. Combination check-writing and calculating machines, stenciling and addressing machinery, machines which fold, enclose, seal and stamp in one operation, finger-tip filing systems—all these aids to efficiency The Corporation Trust Company uses to the advantage and profit of each corporation it serves as transfer agent or registrar, no matter how active or inactive the individual corporation's stock may be.

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Hartford 3.....50 State Street  
Jersey City 2.....15 Exchange Place  
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Minneapolis 1..409 Second Avenue S.  
New York 5.....120 Broadway  
Philadelphia 9.....125 S. Broad Street  
Pittsburgh 22..535 Smithfield Street  
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# Foreign Corporation Law Trends

## Suits Involving Internal Affairs

In recent years, the courts, both state and federal, have generally refused to assume jurisdiction over suits involving the internal affairs of foreign corporations. Such action has been taken (1) where stockholders sought to compel the payment of unpaid accumulated dividends on stock surrendered for exchange under a plan of recapitalization;<sup>1</sup> (2) where the suit involved consideration of the merger of two foreign corporations;<sup>2</sup> (3) where it was sought to review transactions of a foreign corporation with its predecessor, whose obligations the foreign corporation had assumed;<sup>3</sup> (4) where an attempt was made to require plaintiffs in a derivative suit to give security for the defendant's expenses, provided for under the laws of the defendant corporation's home state;<sup>4</sup> (5) where petitioner sought an injunction restraining a foreign membership corporation from holding its annual meeting and directing it to disclose to petitioner the names and addresses of its members;<sup>5</sup> (6) where a director of a foreign corporation endeavored to enlist the aid of the courts to inspect the books and records of his corporation where his purpose was to satisfy himself that the business of the company was properly managed, so that he might properly perform his duties as a director;<sup>6</sup> (7) where court action was sought to enjoin

a foreign corporation from issuing and selling its stock to its officers, directors and certain employees under a plan approved by the stockholders and to annul shares already issued.<sup>7</sup>

An instance where jurisdiction was assumed is to be found in a Massachusetts case where, although the company was incorporated in Maine, suit was entertained by the Supreme Judicial Court of Massachusetts, in a suit involving alleged wrongful acts on the part of defendant officers and directors, upon a showing that the principal place of business of the corporation was in Massachusetts and all the defendants were alleged to reside there.<sup>8</sup>

The Supreme Court of the United States has very recently ruled that a federal court in New York should have assumed jurisdiction of a suit involving a Wisconsin railroad company's debentures, where, although the company's railroad lines were wholly in Wisconsin, the company furthered the following activities in New York: a bank account, listing of the debentures on the stock exchange, payments in connection with the debentures, financial and traffic offices, executive and fiscal offices and directors meetings, and where it maintained financial records, transfer books, minute books, etc. (*Williams et al. v. Green Bay & Western Railroad Company*, 66 S. Ct. 284; see page 106.)

<sup>1</sup> *Fox v. Allied Stores Corporation*, 300 N. Y. S. 1254.

<sup>2</sup> *Langfelder et al. v. Universal Laboratories, Inc.*, 293 N. Y. 200, 56 N. E. 2d 550.

<sup>3</sup> *Kelly v. Brackenridge Brewing Co., Inc.*, et al., 178 Atl. 487.

<sup>4</sup> *Shielcraw et al. v. Moffett et al.*, 56 N. Y. S. 2d 134.

<sup>5</sup> *Alfred Kohlberg, Inc. v. American Council of the Institute of Pacific Relations, Inc.*, 56 N. Y. S. 2d 788.

<sup>6</sup> *Kaletay v. National Register Publishing Co., Inc.*, et al., 13 N. Y. S. 2d 48.

<sup>7</sup> *Rogers v. Guaranty Trust Company of New York et al.*, 288 U. S. 123.

<sup>8</sup> *Lydia E. Pinkham Medicine Co. v. Gove et al.*, 9 N. E. 2d 573; 20 N. E. 2d 482.

## Domestic Corporations

### Michigan.

Judgment, cancelling voting trust on ground that this was for best interests of all the stockholders, set aside. In October, 1939, the holders of 203 shares of defendant Michigan corporation, being a majority in par value amount of the capital stock, executed a voting trust agreement, whereby they constituted three designated persons as voting trustees of their stock for a period of ten years. Subsequently, trouble arose regarding the management of the business, and in September, 1941, twenty-eight stockholders filed a bill of complaint against the company and the twelve stockholders who had signed the voting trust agreement, alleging that the agreement was invalid, that the voting trustees, officers and directors had mismanaged the business, that the agreement had resulted in dissension and trouble among stockholders, and that defendants were conspiring to wreck the company. They asked, among other things, for an accounting; that the voting trust agreement be declared void; and that a receiver be appointed. Defendants answered, denying the material allegations of the bill and plaintiff's right to the relief sought. Testimony was taken, and a decree was entered by the county court cancelling the voting trust agreement on the ground that its cancellation was for "the best interests of all the stockholders." The decree also dismissed the bill as to the company and denied the appointment of a receiver. The Supreme Court of Michigan set aside the decree of the trial court cancelling the agreement and dismissed the bill, finding no evidence justifying the cancellation of the voting trust agreement. The court noted that the record indicated that the company was doing a substantial business and was not insolvent and that there was no proof of fraud. It agreed with the trial court that the agreement was valid and remarked that mere dissension, dissatisfaction, and lack of harmony over questions of policy and management did not justify its cancellation. The resignation of one of the voting trustees did not operate as a dissolution of the trust, as the statute provides that the right to vote the shares and the manner of voting "shall be determined by a majority of said trustees." The court observed that the remaining trustees, being a majority, could continue to vote the stock held by them. *Herman et al. v. Dereszewski et al.*, 20 N. W. 2d 176. Elmer H. Groefsema and Milton A. Behrendt of Detroit, for defendant-appellants. William Schwartz (Meyer Weisenfeld, of counsel), of Detroit, for plaintiffs-appellees-cross appellants.

### New York.

Stockholder's purpose in seeking inspection of corporate books, when questioned, ruled issue to be tried before final order may be made as to inspection. Petitioner, a holder of 5% of the stock of appellant corporation, filed application to inspect its books, stating his purpose was to ascertain whether there had been any misman-

agement or waste of corporate funds. In opposition, an affidavit of appellant's president denied the charges of waste and mismanagement and accused petitioner of improper motives. It also indicated that petitioner was president and majority stockholder in control of a competitor corporation and of two other companies acting as distributors of this competitor. It was alleged that petitioner had sought and was seeking business secrets of appellant's for use in the manufacturing of competing products. An order granting petitioner a general inspection of the books had been granted and appellant corporation appealed, urging that precautions contained in the order which provided against disclosure of lists of customers, sources of supply and the business secrets of the corporation were inadequate to protect it from the alleged ulterior motives of the petitioner and that the application should have been denied in its entirety. The New York Supreme Court, Appellate Division, First Department, after reviewing the law governing a stockholder's right to inspect the books of his corporation, noted that there was an issue of fact presented as to whether the proceeding was brought in good faith and for a proper purpose and said: "If appellant can sustain the charges it has made, it would appear that the proceeding is not brought in good faith or for a proper purpose, and in such case petitioner would not be entitled to the inspection. We conclude that the question as to the good faith of petitioner and as to his purpose in seeking the inspection, upon this record, is one of fact which must be determined before a final order may issue. Accordingly, the order should be modified by granting an alternative order directing a trial of the issue in accordance with the provisions of section 1295 of the Civil Practice Act, with costs to the appellant to abide the event." *Schulman v. Louis Dejonge & Company*, New York Supreme Court, Appellate Division, First Department, December 14, 1945. Cravath, Swaine & Moore (Harold R. Medina, Jr., of counsel), of New York City, for appellant. Harry Z. Kaufman, for petitioner-respondent. Commerce Clearing House Court Decisions Requisition No. 350291; 59 N. Y. S. 2d 119.

## Foreign Corporations

### New Jersey.

Designation of agent under state law for service of process by foreign corporation when licensed in state, held to subject it to suit in federal courts of the state. In a recent case in the United States District Court, District of New Jersey, one of the defendants, a New York corporation, as to which a motion to dismiss the action was made, denied the right of the District Court of that district to entertain the suit as to this defendant on the grounds that it was not an inhabitant of the district. Plaintiff asserted that jurisdiction was properly invoked on the ground that since the defendant was authorized to do business in New Jersey, where it had designated an agent upon whom service of process might be made, such

compliance with the New Jersey statutes constituted a "waiver" by defendant of the provisions of Judicial Code, Section 51, 28 U. S. C. A. Sec. 112, reading: "No civil suit shall be brought in any district court against any person by any original process or proceeding in any other district than that whereof he is an inhabitant; but where the jurisdiction is founded only on the fact that the action is between citizens of different States, suit shall be brought only in the district of the residence of either the plaintiff or the defendant." The court noted that it had previously determined the precise question in *Da Cunha v. Grasselli Chemical Co.*, 46 F. Supp. 28, 29, basing that decision upon the ruling of the United States Supreme Court in *Neirbo v. Bethlehem Shipbuilding Corp.*, 60 S. Ct. 153, 308 U. S. 165, (The Corporation Journal, January, 1940, page 83.) The latter case decided that the designation of an agent in a state for service of process constituted consent to be sued in the federal courts of that state and is tantamount to a waiver of the privilege accorded by Section 51, mentioned above. The United States District Court concluded that the defendant in this case "must be held to have consented to be sued in the courts of New Jersey, federal as well as state. Service of process upon said defendant under such circumstances satisfies the requirements of Section 51 of the Judicial Code, 28 U. S. C. A. Sec. 112, and this Court possesses the challenged jurisdiction." *Randolph Laboratories, Inc. v. Specialties Development Corporation et al.*, 62 F. Supp. 897. Pitney, Hardin & Ward and William H. Osborne, Jr., of Newark, for plaintiff. Kessler & Kessler (Darby & Darby and Samuel E. Darby, Jr., of counsel), of New York City, for defendants.

### New York.

Supreme Court of the United States rules Federal District Court should not have declined jurisdiction over suit to require payments by foreign corporation out of earnings to debenture holders. In *Williams et al. v. Green Bay & Western R. Co.*, 147 F. 2d 777, (The Corporation Journal, December, 1945, page 47), the United States Circuit Court of Appeals, Second Circuit, affirmed an order of the District Court of the Southern District of New York dismissing an action in which the plaintiffs, residents of New York, holders of Class B debentures of defendant Wisconsin company, sought to recover in the New York federal court an amount alleged to belong to them as their share of the undistributed and withheld net earnings of defendant for the years 1924 to 1943, inclusive. Upon appeal, the Supreme Court of the United States has reversed the judgment of the Circuit Court of Appeals, concluding that the District Court should not have declined to hear the case. The Court of Appeals had said: "The question before us is not one of jurisdiction but one of the exercise of judgment as to which would be the most convenient forum." The Supreme Court thought it improper to dismiss the case on the grounds of *forum non conveniens*. The court observed that "under the rule of *Erie R. Co. v. Tompkins*, 304 U. S.



64, a federal court in a diversity case applies local law." It reserved decision on the question whether a federal court, in a diversity of citizenship case, "was required by *Erie R. Co. v. Tompkins*, *supra*, to apply the local rule of *forum non conveniens*." Referring to the New York case of *Travis v. Knox Terpezone Co.*, 215 N. Y. 259, 264, in which a suit was entertained by a stockholder of a foreign corporation to compel the transfer of shares or to recover their value, the Supreme Court remarked: "We perceive in the present case no greater interference in the internal affairs of this foreign corporation. Nor can we conclude that the maintenance of this suit in New York will be vexatious or oppressive." The court then mentioned the fact of petitioners' residence in New York, the fact that the corporation did business there and that in this state the Class B debentures were listed and traded in on the Stock Exchange, amounts in lieu of interest on them were payable, a financial and traffic office was maintained, a bank account was maintained, five of the six directors were to be found, directors' meetings were held, two of three members of the executive committee were to be found and financial records, transfer books, minute books and the like were kept. "These facts," observed the court, "plainly indicate to us that it would not be vexatious or oppressive to entertain this suit in New York, whether the availability of witnesses or any other aspect of a trial be considered." *Williams et al. v. Green Bay & Western Railroad Company*, Supreme Court of the United States, January 7, 1946; Docket No. 100. Commerce Clearing House Court Decisions Requisition No. 350009; 66 S. Ct. 284.

Service of summons vacated where made upon foreign corporation merely owning stock in subsidiary company doing business in state. The New York Supreme Court, Appellate Division, First Department, has recently ruled that a motion to vacate service of summons should have been granted where made upon a foreign corporation not doing business in the state at the time of service, where its contact with the state was limited to ownership of stock in a subsidiary corporation which did business there. "The proof," said the court, "established that defendant, a foreign corporation, was not doing business in this State at the time of service. At most, it owned the stock of a subsidiary corporation which carried on business here. Such stock ownership, without further activity, did not bring the parent company within the State in the sense of transacting its own business here." *Rosario v. Public Service Coordinated Transport*, 59 N. Y. S. 2d 50. Thomas G. Prioleau of New York City, appearing specially for appellant. Hyman A. Hockman, of counsel (Albert W. Richman, attorney), for respondent.

## Taxation

### Arizona.

Contractor's gross income tax liability held not to be reduced by reason of receipts arising from contracts with the Federal Govern-

ment. Appellee, as plaintiff, a contractor, sought to enjoin the State Tax Commission from collecting the gross income tax from plaintiff arising from projects for the United States Government and asked for a judgment declaratory of plaintiff's liability for such tax. Plaintiff contended it was entitled to judgment and an injunction against the collection of the tax under a section of the law providing that the taxes levied were not to be construed to apply upon any sales made to the United States Government, its departments or agencies. The Supreme Court of Arizona observed that if the tax imposed upon the plaintiff had been a sales tax, this position would be sound. It noted, however, that plaintiff was being taxed under a section which taxed a contractor upon "the gross proceeds or gross income from the business," and remarked: "It will be observed that this section does not base the tax upon sales which may be made by the contractor, but upon the gross proceeds or gross income of his business. Strictly speaking, the law under consideration is an Excise Revenue Act. It is something more than a sales tax measure. It is a tax on the right to engage in business." As the tax was not based on sales, it was regarded as not coming within the provisions of the section first mentioned relating to sales to the United States Government and no deduction in the tax on account of sales to the Government would be allowed. The court found no merit in plaintiff's argument that the act was void because it deprived plaintiff of the equal protection of the law or of due process or accorded others affected by the Act privileges and immunities which were not accorded plaintiff, saying: "It has repeatedly been held that the legislature has the right, in connection with an Excise Revenue Act or a privilege tax, to make reasonable classifications. The classification of contractor is separate and distinct from that of other classifications. All contractors are treated alike." "The constitutional provisions are satisfied if all persons in a class are treated alike." *Arizona State Tax Commission et al. v. Frank Harmonson Co. Metal Products*,\* 163 P. 2d 667. John L. Sullivan, Atty. General, and Earl Anderson, Asst. Atty. General, for appellants. Moeur & Moeur and Leslie C. Hardy of Phoenix, Bilby & Shoenhair and Darnell & Robinson of Tucson (Cunningham & Carson, Gust, Rosenfeld, Divilbess & Robinette, Kramer, Morrison, Roche & Perry, Orme Lewis, Blaine B. Shimmel, Sloan, Scott & Green, Snell, Strouss & Wilmer, Struckmeyer & Struckmeyer, and Louis B. Whitney, of Phoenix, of counsel), for appellee.

\*The full text of this opinion is printed in *The Corporation Tax Service*, Arizona, page 515.

#### Arkansas.

Arkansas company, operating a store in Arkansas separately from its Louisiana store, ruled not subject to Arkansas sales tax on sales made by the Louisiana store to its Arkansas customers where goods were shipped to them from Louisiana in interstate commerce. In the lower court, appellee Arkansas corporation obtained an injunc-



tion enjoining appellant Commissioner of Revenue from attempting to collect from it an asserted demand for taxes on sales made from its Louisiana store to purchasers in Arkansas. The Louisiana store was operated separately and independently from the company's Arkansas store in Little Rock. The orders were obtained by salesmen of the Louisiana store who took orders in Arkansas. After approval of the orders in Louisiana, the goods were consigned to the customers in Arkansas and delivered to carriers in Shreveport, Louisiana, on open bills of lading. The trial court ruled that the Arkansas gross receipts tax did not apply to such sales, as they were sales or transactions in interstate commerce. Upon appeal, the decree was affirmed by the Arkansas Supreme Court. There the Commissioner asserted that because the company maintained a place of business in Arkansas, it was liable for the tax on sales of merchandise made to purchasers in Arkansas, regardless of whether, in negotiating these sales, the orders were directed to the company's place of business in Louisiana and regardless of whether such sales were consummated by acceptance of the orders in Louisiana, and by delivering merchandise so purchased to a common carrier in Shreveport, Louisiana, consigned directly to the purchasers in Arkansas. The Supreme Court of Arkansas observed: "It is true that appellee owns and operates a store in Little Rock and that it is an Arkansas corporation. But the undisputed facts show that the Little Rock store had nothing whatsoever to do with the sales of merchandise here involved. The tax is laid upon the sales and not upon the company or person making the sales. The sales here involved were made in Louisiana where the transfer of ownership took place." "The citizenship of the seller is not controlling in determining whether a sale is taxable. It is the situs of the sale that controls. If the sale as here is consummated in Louisiana by a citizen of Arkansas to an Arkansas citizen, it is not taxable in Arkansas under our sales tax law, whereas, it might be taxable here if we had a use tax law." *State ex rel. Commissioner of Revenues v. Hollis & Company*,\* 190 S. W. 2d 986. O. T. Ward, of Little Rock, and R. S. Wilson, of Van Buren, for appellant. Buzbee, Harrison & Wright of Little Rock, for appellee. Commerce Clearing House Court Decisions Requisition No. 349938.

\* The full text of this opinion is printed in *The Corporation Tax Service*, Arkansas, page 7509.

### Kentucky.

**Kentucky chain store tax law held invalid by county circuit court.** The Franklin County Circuit Court has ruled that the Kentucky chain store tax, imposed by Chapter 174, Laws of 1940, is invalid. That law provides brackets similar to those contained in the Louisiana, Florida, Mississippi and South Dakota chain store tax laws, whereby the fee to be paid for each Kentucky store depends upon the number of stores owned everywhere, both within and outside of Kentucky. The court indicated that the act was to be regarded as

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In the Corporation Trust system each step in Statutory Representation is a coordinated, integrated part of a complete system. The offices and representatives it furnishes are linked with, and their experience reflected in, the Bulletins which notify a corporation of state taxes to be paid and reports to be filed. The Report and Tax Notification Bulletins are linked by spot references to the Corporation Tax Service, State and Local, in which is presented the complete text of the applicable laws, regulations and court decisions. A pre-arranged plan worked out between C T representative and each company's own lawyer controls the handling of process served on the company.

a revenue measure, despite the fact that its title defined its purpose "to preserve the single unit or independent type of store or mercantile establishment in the interest of the general welfare, by authority of the general police power." It felt bound by the decision of the Kentucky Court of Appeals, when holding invalid the prior chain store tax law in *The Great Atlantic & Pacific Tea Co. v. Kentucky Tax Commission et al.*, 278 Ky. 367, 128 S. W. 2d 581, (The Corporation Journal, June, 1939, page 423); affirmed on second appeal, 280 Ky. 606, 133 S. W. 2d 947, on the ground that it provided an unreasonable and arbitrary classification of those engaged in the trade or occupation of a merchant for the purpose of taxation. The court concluded that the 1940 act "should be considered to be a revenue measure, unconstitutional and void for lack of uniformity and its discrimination between persons of the same class." *Adam Hat Stores et al. v. Reeves et al.*\* Franklin County Circuit Court, December 12, 1945. Commerce Clearing House Court Decisions Requisition No. 349745. (*We are informed that an appeal will be taken in this case to the Kentucky Court of Appeals and that the tax will be enforced pending the appeal.*)

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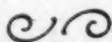
\* The full text of this opinion is printed in **The Corporation Tax Service**, Kentucky, page 4801.

### Massachusetts.

Foreign corporation, engaged solely in interstate business in Massachusetts, ruled not subject to the excise tax. Appellant, a Pennsylvania corporation, sought to abate an excise tax assessed against it by the Commissioner of Corporations and Taxation. On the evidence, the Appellate Tax Board ruled that the company was engaged solely in interstate business within the Commonwealth and was not subject to the excise tax. The evidence disclosed that the company had no manufacturing plant, warehouse, stock of goods or salesroom and owned no real estate in Massachusetts. It had a sales office in Boston and one in Springfield, Massachusetts. There were twenty-eight employees in the state, mostly clerical, there being seven salesmen and a district sales manager. Orders solicited were sent to the home office in Pittsburgh, Pennsylvania, for acceptance, and if approved, the goods were shipped f. o. b. from a point outside Massachusetts. Collections were made by the home office. An abatement of the entire tax assessed was granted. *Aluminum Company of America v. Commissioner of Corporations and Taxation*,\* Appellate Tax Board, November 21, 1945. 1945 A. T. B. Adv. Sh. 141. Claude R. Brauch, for the appellant. Henry F. Long, Commissioner, appellee, *pro se*.

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\* The full text of this opinion is printed in **The Corporation Tax Service**, Massachusetts, page 1640.



## Appealed to the Supreme Court .

The following cases previously digested in The Corporation Journal have been appealed to The Supreme Court of the United States.\*

INDIANA. Docket No. 4. *Hewitt v. Freeman*, 51 N. E. 2d 6. (The Corporation Journal, November, 1944, page 233.) Indiana Gross Income Tax Act—application to proceeds from sales of corporate stocks and bonds by resident owner to non-residents through brokers. Appeal filed, March 13, 1944. Jurisdiction noted, April 3, 1944. Argued, November 8, 1944. Restored to Docket and assigned for reargument, June 18, 1945. On reargument, counsel requested to address themselves in their briefs and on oral argument to specified questions, October 8, 1945.

NEW YORK. Docket No. 100. *Williams et al. v. Green Bay & Western R. Co.*, 147 F. 2d 777. (The Corporation Journal, December, 1945, page 47.) Corporations—jurisdiction of court over suit to require payment by foreign corporations of net earnings to debenture holders. Petition for certiorari filed, May 31, 1945. Petition for certiorari granted, October 8, 1945. Argued, December 10, 1945. Reversed, January 7, 1946. (See page 106.)

NEW YORK. Docket Nos. 518-519. *Carter & Weeks Stevedoring Co. v. McGoldrick et al.*; *John T. Clark & Son v. McGoldrick et al.*, 294 N. Y. 906, 908. (The Corporation Journal, December, 1945, page 52.) New York City business tax—applicability to stevedoring activities within city limits. Petition for certiorari filed October 17, 1945. Certiorari granted, November 19, 1945.

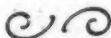
PENNSYLVANIA. Docket No. 40. *In re Defense Plant Corporation*, (Defense Plant Corporation v. County of Beaver), 39 A. 2d 713. (The Corporation Journal, May, 1945, page 353.) State taxation—machinery owned by government agency and attached to freehold—taxation as real property. Appeal filed, February 24, 1945. Probable jurisdiction noted, March 26, 1945.

UTAH. Docket Nos. 424-425. *State Tax Commission et al. v. Kennecott Copper Corporation*; *State Tax Commission et al. v. Silver King Coalition Mines Company*, 150 F. 2d 905. (The Corporation Journal, December, 1945, page 54.) Utah Mining Occupation tax—jurisdiction of federal court over suit to recover state occupation tax paid under protest. Petition for certiorari filed, September 12, 1945. Certiorari granted, November 5, 1945. Argued, January 30 and 31, 1946.

VIRGINIA. Docket No. 72. *Nippert v. City of Richmond*, 33 S. E. 2d 206. (The Corporation Journal, December, 1945, page 55.) Municipal license tax on solicitors—constitutionality of Richmond ordinance as applied to agent for manufacturer doing interstate business. Appeal filed, May 14, 1945. Jurisdiction noted, June 11, 1945. Argued, November 8, 1945.

VIRGINIA. Docket No. 788. *Adams et al. v. United States Distributing Corporation et al.*, 34 S. E. 2d 244. (The Corporation Journal, November, 1945, page 26.) Redemption of preferred stock held by stockholders dissenting to merger, where cumulative dividends were unpaid—statutory remedy of appraisal. Petition for writ of certiorari filed, January 29, 1946.

\* Data compiled from CCH U. S. Supreme Court Service 1945-1946.





## Regulations and Rulings

**ARKANSAS**—It is not lawful for the Arkansas Public Service Commission to furnish or disclose to a county assessor, for the purpose of aiding him in making assessments of property which it is his duty to assess, any information or data taken from income tax returns and made available to said Commission, under the authority of Act 38 of 1939. (Opinion of Attorney General to Director of the Public Service Commission, Arkansas Corporation Tax (CT) Service, ¶ 1130.)

**INDIANA**—The operator of a retail grocery store being the holder of a general retail store license issued by the State of Indiana for such store must also secure from the State Egg Board a license to sell eggs in such store and pay therefor the sum of \$1.00. (Opinion of the Attorney General to the Governor, Indiana CT, ¶ 30-675.)

**IOWA**—The Sales and Use Tax Regulations have recently been revised by the State Tax Commission. (Iowa CT, page 6151.)

**NEBRASKA**—A nonprofit nonstock corporation must set forth in its articles of incorporation the name of its resident agent under the provisions of Sec. 21-1524 and 21-1145 of the Revised Statutes, 1943. No articles of incorporation for such a corporation should be accepted or filed unless some individual has been appointed a resident agent, and if such agent resigns, a new agent must be designated within 30 days. (Opinion of the Attorney General to the Secretary of State, Nebraska CT, ¶ .0022.)

**NORTH CAROLINA**—A foreign corporation doing business in North Carolina through a wholly-owned unincorporated subsidiary is liable for the franchise tax. (Opinion of the Attorney General to the Commissioner of Revenue, North Carolina CT, ¶ 9-001.)

**OKLAHOMA**—In order to entitle one to recover taxes voluntarily paid, they must have been paid through mistake of fact and not of law, provided the mistake was not caused by his own neglect of duty. If the mistake was caused by the plaintiff's own neglect of duty, and the payment was voluntary, the law will furnish no relief, and refund should not be made unless ordered by a court of competent jurisdiction in a proper action. (Opinion of the Attorney General to the Roger Mills County Attorney, Oklahoma CT, ¶ 23-202.)

**SOUTH DAKOTA**—The financing of conditional sales contracts and chattel mortgages by a foreign corporation in connection with the sale of motor vehicles involves more than the advancing and loaning of money referred to in Sec. 11,2102. A branch office in this state would probably be exercising the very powers and functions for the exercise of which the corporation was organized, and such a corporation would not be exempt from and should therefore comply with the qualification requirements of Sec. 11,2002. (Opinion of the Attorney General to the Secretary of State, South Dakota CT, ¶ .011.)

**WASHINGTON**—The Tax Commission of the State of Washington has recently completely revised the Rules Relating to the Revenue Act of 1935. Administrative Rulings Volumes I and II have been declared no longer effective. (Washington CT, pages 6561 to 6673, inclusive.)

## Some Important Matters for March and April

This Calendar does not purport to be a *complete* calendar of all matters requiring attention by corporations in any given state. It is a condensed calendar of the more important requirements covered by the *State Report and Tax Bulletins* of The Corporation Trust Company. Attorneys interested in being furnished with timely and complete information regarding all state requirements in any one or more states, including information regarding forms, practices and rulings, may obtain details from any office of The Corporation Trust Company or C T Corporation System.

**ALABAMA**—Annual Franchise Tax Return due between January 1 and March 15.—Domestic and Foreign Corporations.

Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Franchise Tax due April 1, but may be paid without penalty until April 30.—Domestic and Foreign Corporations.

**ARIZONA**—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Statement of Mining Companies due between January 1 and April 1.—Domestic and Foreign Corporations engaged in mining of any kind.

**CALIFORNIA**—Franchise (Income) Tax Return and Payment of one-half of tax due on or before March 15.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 15.—Domestic and Foreign Corporations.

**COLORADO**—Annual Report due on or before March 15.—Domestic and Foreign Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Annual License Tax due on or before May 1.—Domestic and Foreign Corporations.

**CONNECTICUT**—Income Tax Return due on or before April 1.—Domestic and Foreign Corporations.

**DELAWARE**—Returns of Information at the source due on or before April 30.—Domestic and Foreign Corporations making certain payments of salaries, dividends, interest or other income to citizens or residents of Delaware during 1945.

Annual Franchise Tax due after April 1 and before July 1.—Domestic Corporations.

**DISTRICT OF COLUMBIA**—Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

**GEORGIA**—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Intangible Property Tax Return due on or before March 15.—Domestic and Foreign Corporations.

**IDAHO**—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

**INDIANA**—Quarterly Gross Income Tax Return and Payment due on or before April 30.—Domestic and Foreign Corporations.

**IOWA**—Income Tax Return and Returns of Information at the source due on or before March 31.—Domestic and Foreign Corporations.

Return of Taxes withheld at the source due on or before March 31.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 20.—Domestic and Foreign Corporations.

**KANSAS**—Annual Report and Franchise Tax due on or before March 31.—Domestic and Foreign Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

**KENTUCKY**—Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Income Tax and Corporation License Tax Return due on or before April 15.—Domestic and Foreign Corporations.

**MARYLAND**—Annual Report (Personal Property Return) due on or before April 15.—Domestic Corporations.

Franchise Tax Report and Franchise Tax due on or before April 15.—Domestic Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Annual Report (Personal Property Return) and Filing Fee due on or before April 15.—Foreign Corporations.

**MASSACHUSETTS**—Excise Tax Return due on or before April 10.—Domestic and Foreign Corporations.

**MICHIGAN**—Intangible Personal Property Tax Return due on or before April 1.—Domestic and Foreign Corporations.

**MINNESOTA**—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Foreign Corporations.

**MISSISSIPPI**—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

**MISSOURI**—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

**MONTANA**—Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Statement due within two months from April 1.—Foreign Corporations.

**NEBRASKA**—Statement to Tax Commissioner due on or before April 15.—Foreign Corporations.

**NEVADA**—Annual Statement of Business due not later than month of March.—Foreign Corporations.

NEW HAMPSHIRE—Annual Return due on or before April 1.—Domestic and Foreign Corporations.

Franchise Tax due on or before April 1.—Domestic Corporations.

NEW JERSEY—Annual Franchise Tax Return and Tax due on or before April 15.—Domestic and Foreign Corporations.

NEW MEXICO—Franchise Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Returns of Information at the source due on or before April 1.—Domestic and Foreign Corporations.

Income Tax Returns due on or before April 15.—Domestic and Foreign Corporations.

Franchise Tax due on or before May 1.—Domestic and Foreign Corporations.

Franchise Tax due on or before May 1.—Domestic and Foreign Corporations.

NEW YORK—Returns of Taxes Withheld at the source due on or before March 15 (extended from February 15).—Domestic and Foreign Corporations.

Annual Franchise (Income) Tax Return (Form 3 CT, Article 9A, Tax Law), due on or before May 15, together with one-half of tax.—Domestic and Foreign Corporations.

NORTH CAROLINA—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Intangible Property Tax Return due on or before March 15.—Domestic and Foreign Corporations.

NORTH DAKOTA—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 20.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Foreign Corporations.

OHIO—Annual Franchise Tax Report due between January 1 and March 31.—Domestic and Foreign Corporations.

Annual Statement of Proportion of Capital Stock due between January 1 and March 31.—Foreign Corporations.

OKLAHOMA—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

OREGON—Excise (Income) Tax Return due on or before April 15.—Domestic and Foreign Corporations.

PENNSYLVANIA—Capital Stock Tax Report and Tax and Corporate Loans Report and Tax due on or before March 15.—Domestic Corporations.

Franchise Tax Report and Tax and Corporate Loans Tax Report and Tax due on or before March 15.—Foreign Corporations.

Bonus Tax Report due on or before March 15.—Domestic Corporations.

**PENNSYLVANIA—(continued)**

Bonus Tax Report due on or before March 15.—Foreign Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

**RHODE ISLAND—**Corporation Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Semi-Annual Report to Division of Industrial Inspection due in April and October.—Domestic and Foreign Corporations employing five or more persons in Rhode Island.

**SOUTH CAROLINA—**Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

**SOUTH DAKOTA—**Quarterly Retail Sales Tax Return and Payment due on or before April 15.—Domestic and Foreign Corporations.**TEXAS—**Annual Franchise Tax Report due between January 1 and March 15.—Domestic and Foreign Corporations.

Annual Franchise Tax due on or before May 1.—Domestic and Foreign Corporations.

**UNITED STATES—**Income Tax Return due on or before March 15.—Domestic Corporations and Foreign Corporations having an office or place of business in the United States.**UTAH—**Income (Franchise) Tax Return due on or before March 15.—Domestic and Foreign Corporations.**VERMONT—**Income (Franchise) Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Extension of Certificate of Authority due on or before April 1.—Foreign Corporations.

**VIRGINIA—**Income Tax Return and Returns of Information at the source due on or before April 15.—Domestic and Foreign Corporations.**WEST VIRGINIA—**Annual License Tax Report due in April.—Foreign Corporations.

Quarterly Business and Occupation (Gross Sales) Tax Return and Payment due on or before April 30.—Domestic and Foreign Corporations.

**WISCONSIN—**Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Domestic and Foreign Corporations.



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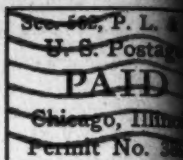
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